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CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

3 JUNE 47

COUNTRY French Indo China

DATE: 25X1A6a

SUBJECT Notes on Current Situation

INFO. [REDACTED]

DIST. 27 May 1947

PAGES 1

SUPPLEMENT

ORIGIN [REDACTED]

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- C-2 1. HO Chi Minh is interested in the independence of Tonkin, Annam and Cochin China. He is not opposed to a federation of all the states, including Cambodia and Laos and also possibly Siam and Burma, but he is not working actively for the federation now. Siam and Burma have already expressed interest in the establishment of a federation. (Washington note: See 25X1A2g [REDACTED] for a statement by Nai Pridi that Siam hopes to establish the nucleus of a Southeast Asia Federation with Laos and Cambodia, and does not intend to wait for Viet Nam.)
- C-6 2. Viet Nam currency is gaining in strength. At first it had the same value as French currency but now the ratio is 90 cents in French money to \$1.00 in Viet Nam money. The highest exchange was .70 to \$1.00. It is easy to exchange French money for Viet Namese money and to buy from the Chinese, Siamese, etc. However, those with French money are suspected of collaboration and this has contributed to the increased value of Viet Nam currency.
- C-6 3. The French buried arms and gold when the Japanese came into French Indo China. Much has been found. The French killed the Annamites who helped them bury it. They intended to return to reclaim it but deserters from the French Army revealed the hiding places. The Viet Nam Government can buy arms in China, Siam and Burma and they are trying to buy from the Philippines.
- C-6 4. French soldiers in Indo China are very susceptible to leaflet propaganda and there have been some desertions as a result of this. Viet Nam propaganda lines stress the futility of fighting for the two hundred families who rule France.

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NO CHANGE in Class. ☒☐ DECLASSIFIED

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